

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Annual Compliance Review, 2021

Docket No. ACR2021

CHAIRMAN'S INFORMATION REQUEST NO. 2  
AND NOTICE OF FILING UNDER SEAL

(Issued January 18, 2022)

To clarify the basis of the Postal Service's FY 2021 *Annual Compliance Report* (ACR), filed December 29, 2021,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than January 25, 2022.

**First-Class Mail Service Performance**

1. Please provide the national level percentages of First-Class Mail Single-Piece Letters/Postcards that were transported using air transit and ground transit. These results should be for Fiscal Quarters 1, 2, 3, 4, "mid-year," "second-half," and annually<sup>2</sup> for FY 2021. Please present results for each service standard (2-Day versus 3-5-Day) separately.
2. Please confirm that the Postal Service continues to be unable to quantify the impact on FY 2021 service performance scores for First-Class Mail attributed to

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<sup>1</sup> United States Postal Service FY 2021 *Annual Compliance Report*, December 29, 2021 (FY 2021 ACR).

<sup>2</sup> Mid-year refers to the aggregation of the data for Quarters 1 and 2 of the applicable fiscal year. Second-half refers to the aggregation of the data for Quarters 3 and 4 of the applicable fiscal year. Annually refers to the aggregation of the data for all four fiscal quarters of the applicable fiscal year.

critically late trips or the air capacity gap.<sup>3</sup> If not confirmed, please provide quantification(s) and an explanation of the calculation(s).

3. In Order No. 5576, in which the Commission provided final approval to the Postal Service to use Internal Service Performance Measurement (SPM) as the official system of measurement and reporting for Outbound Single-Piece First-Class Mail International and Inbound Letter Post starting in FY 2021, the Commission ordered the Postal Service, in the first ACR based on data from SPM for these products, to explain any significant service performance discrepancies between SPM versus the legacy reporting systems and propose a method of comparing SPM versus legacy service performance data.<sup>4</sup>
  - a. Please explain any significant discrepancies in service performance results between SPM and the legacy reporting systems for each of these products.
  - b. Please propose a method of comparing SPM versus legacy service performance data for each of these products.
  - c. Please explain all reason(s) that FY 2021 on-time performance for Outbound Single-Piece First-Class Mail International was 24.43 points below the FY 2021 target and lower than the FY 2021 results for domestic First-Class Mail.

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<sup>3</sup> See Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-38 of Chairman's Information Request No. 1, January 19, 2021, question 21 (Docket No. ACR2020, Response to CHIR No. 1).

<sup>4</sup> See Docket No. PI2019-1, Order Granting Request and Approving Use of Internal Service Performance Measurement System, July 1, 2020, at 2, 11 (Order No. 5576).

- d. Please explain how the Postal Service plans to improve service performance for Outbound Single-Piece First-Class Mail International for FY 2022.<sup>5</sup>
  - e. Please provide all reason(s) that FY 2021 on-time performance for Inbound Letter Post Combined was 8.63 points below the FY 2021 target and lower than the FY 2021 results for domestic First-Class Mail.<sup>6</sup>
  - f. Please explain how the Postal Service plans to improve service performance for Inbound Letter Post for FY 2022.
4. The Postal Service reported that for FY 2020, First-Class Mail Flats (Overnight) scored 80.3 percent on-time against a target of 96.80 percent; First-Class Mail Flats (2-Day) scored 77.5 percent on-time against a target of 96.50 percent; and First-Class Mail Flats (3-5-Day) scored 73.4 percent on-time against a target of 95.25 percent.<sup>7</sup> The Postal Service reports that for FY 2021, First-Class Mail Flats (Overnight) scored 75.2 percent on-time against a target of 93.99 percent; First-Class Mail Flats (2-Day) scored 71.7 percent on-time against a target of 89.20 percent; and First-Class Mail Flats (3-5-Day) scored 61.1 percent on-time against a target of 84.11 percent.<sup>8</sup>
- a. Please provide all reason(s) that FY 2021 on-time performance for First-Class Mail Flats declined 5.1 percentage points (for the Overnight service standard), 5.8 percentage points (for the 2-Day service standard), and 12.3 percentage points (for the 3-5-Day service standard) from the level observed in FY 2020.

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<sup>5</sup> See Library Reference USPS-FY21-29, December 29, 2021, file "FY21-29 Service Performance Report.pdf," at 4.

<sup>6</sup> See Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 4.

<sup>7</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, December 29, 2020, file "FY20-29 Service Performance Report.pdf," at 4.

<sup>8</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 4.

- b. Please provide all reason(s) that FY 2021 on-time performance for First-Class Mail Flats was 18.79 points (for the Overnight service standard), 17.5 points (for the 2-Day service standard), and 23.01 points (for the 3-5-Day service standard) below the FY 2021 targets.
  - c. Please explain how the Postal Service plans to improve service performance for First-Class Mail Flats in FY 2022.
- 5. In its FY 2020 ACR, the Postal Service identified four initiatives it was pursuing to improve service performance for international services, including Outbound Single-Piece First-Class Mail International and Inbound Letter Post.<sup>9</sup> The initiatives were: (1) measured targets for Tour Turnover between tours for all operational categories during shift changeover; (2) measured machine utilization performance compared to machine/operational capabilities; (3) measured Run Plan Generator machine run plan performance against plan; and (4) visual service/operational failure analysis (Grid Analysis). *Id.* In response to an information request, the Postal Service stated that implementation of these four initiatives started at the end of FY 2021 Quarter 1.<sup>10</sup> For each of the four initiatives:
  - a. Identify the metric(s) used to quantify the impact on service performance.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.

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<sup>9</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, file "FY20-29 Service Performance Report.pdf," at 9-12.

<sup>10</sup> Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-30 of Chairman's Information Request No. 5, February 2, 2021, question 6.

### **USPS Marketing Mail Service Performance**

6. The Postal Service reported that for FY 2020, USPS Marketing Mail Parcels scored 96.7 percent on-time against a target of 91.8 percent.<sup>11</sup> The Postal Service reports that for FY 2021, USPS Marketing Mail Parcels scored 52.7 percent on-time against a target of 86.62 percent.<sup>12</sup>
  - a. Please provide all reason(s) that FY 2021 on-time performance for this product declined 44.0 percentage points from the level observed in FY 2020 and is 33.92 points below the FY 2021 target.
  - b. Please explain how the Postal Service plans to improve service performance for this product for FY 2022.
7. For each End-to-End USPS Marketing Mail product with a 6-10-day service standard, please provide the volume and the percent of total USPS Marketing Mail volume that is End-to-End and has a 6-10-day service standard for FY 2021.<sup>13</sup>
8. The Postal Service states that its efforts to improve service performance for USPS Marketing Mail products in FY 2021 included using Mail Processing Performance visualization to identify opportunities for processing improvements.<sup>14</sup>
  - a. Identify the metric(s) used to quantify the impact of Mail Processing Performance visualization on service performance for FY 2021.

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<sup>11</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, file "FY20-29 Service Performance Report.pdf," at 14.

<sup>12</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 10.

<sup>13</sup> See Docket No. ACR2020, Response to CHIR No. 1, question 23.

<sup>14</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 13.

- b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
- c. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
- d. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts of Mail Processing Performance visualization on service performance for FY 2022.
- e. If the Postal Service does not intend to continue this program, please explain why not.

### **Periodicals Service Performance**

- 9. As part of its explanation for both Periodicals products failing to meet their service performance targets in FY 2021, the Postal Service states that as a result of COVID-related employee unavailability, it was required to divert employees from manual operations, including manual processing of newspapers (which make up a significant proportion of Periodicals), to automated and mechanized operations. *Id.* at 17. Please state whether the Postal Service is able to quantify the number of employees diverted from manual to automated processing operations in FY 2021 as a result of COVID-related employee unavailability. If so, please provide this number.
- 10. The Postal Service states that its efforts to improve service performance for Periodicals products in FY 2021 included: (1) right-sizing flats processing by removing excess Flats Sequencing System (FSS) machines; (2) the FSS Compression Initiative, which began in mid-FY 2021; (3) focusing on “four wall” processing; (4) focusing on Division-level cycle time improvements; (5) use of Mail Processing Performance visualization in Informed Visibility; and (6) use of

the Mailer Irregularity Application to reduce handling of poorly prepared pallets and bundles. *Id.* at 17-19. For each of the six initiatives:

- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
- b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
- c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
- d. For each of these strategies, please state whether the Postal Service intends to continue pursuing it in FY 2022.
- e. For each initiative the Postal Service intends to continue, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
- f. For each initiative the Postal Service does not intend to continue, please explain why the Postal Service will not continue the initiative.

#### **Package Services Service Performance**

11. Please confirm that the Postal Service did not track the volume of Bound Printed Matter (BPM) Flats and Media Mail/Library Mail that was manually processed in FY 2021. See Docket No. ACR2020, Response to CHIR No. 1, question 27.
12. Please confirm that data are not readily available to identify the top root causes for BPM Flats and Media Mail/Library Mail in FY 2021. See *id.* question 26.
13. Please quantify the volume and percentage of BPM Flats that were advanced to day zero in FY 2021. See *id.* question 28.

14. The Postal Service reports that it is considering shifting processing of Media Mail/Library Mail from the network distribution center (NDC) network to using processing and distribution centers.<sup>15</sup>
  - a. Please describe how these actions are expected to improve service performance for Media Mail/Library Mail.
  - b. Please describe the expected timeframe for implementing this potential shift.
15. As part of its mitigation plan for service performance for flat-shaped mailpieces in FY 2021, the Postal Service stated that the Flat Mailer Industry work team would continue to meet.<sup>16</sup>
  - a. Please discuss how the strategies developed by the Flat Mailer Industry work team impacted on-time service performance results during FY 2021.
  - b. Please state whether the Flat Mailer Industry work team will continue to meet in FY 2022.
  - c. If the answer to part b. of this question is yes:
    - i. Please discuss the impact that the strategies developed by the Flat Mailer Industry work team are expected to have on FY 2022 on-time service performance results.
    - ii. Please explain how the Postal Service plans to monitor the efficacy of strategies developed by the Flat Mailer Industry work team during FY 2022.
16. As part of its plan to improve service performance for BPM Flats in FY 2020, the Postal Service stated that it would focus on using the Cycle Time Diagnostics

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<sup>15</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 23.

<sup>16</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, file "FY20-29 Service Performance Report.pdf," at 23.



tool.<sup>17</sup> As part of its plan to improve service performance for BPM Flats in FY 2022, the Postal Service states that it will continue to rely on the Cycle Time Diagnostics tool.<sup>18</sup>

- a. Identify the metric(s) used to quantify the impact of efforts to reduce Work in Process cycle time on service performance for FY 2021.
- b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
- c. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
- d. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts of Mail Processing Performance visualization on service performance for FY 2022.
- e. If the Postal Service does not intend to continue this program, please explain why not.

### **Special Services Service Performance**

17. The following questions involve the Post Office Box dashboard, which was implemented in FY 2020. *Id.* at 27; see *also* Docket No. ACR2020, Response to CHIR No. 1, question 31.
  - a. Identify the metric(s) used to quantify the impact of the Post Office Box dashboard on service performance for FY 2021.

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<sup>17</sup> Docket No. ACR2019, Library Reference USPS-FY19-29, December 27, 2019, file “FY19-29 Service Performance Report.pdf,” at 24-25.

<sup>18</sup> Library Reference USPS-FY21-29, file “FY21-29 Service Performance Report.pdf,” at 23.

- b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact is unavailable, explain why it is unavailable and provide a qualitative description of the impact on service performance.
- 18. The Postal Service states that, with respect to Post Office Box Service, the Postal Service “continue[d] to struggle and suffer significant impacts related to COVID . . . .”<sup>19</sup> Please explain how specifically the ongoing COVID-19 pandemic affected Post Office Box uptime in FY 2021.
- 19. As part of its efforts to improve service performance for Post Office Box Service in FY 2021, the Postal Service states that it: (1) performed function 4 reviews and (2) updated Integrated Operating Plans and e1994 (with further adjustments made at the local level). *Id.* at 27-28. For each initiative:
  - a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
- 20. As part of its plan to improve service performance for Post Office Box Service for FY 2022, the Postal Service states that it plans to: (1) refresh Integrated Operating Plans; (2) update the Mail Arrival Quality and Plant Arrival Quality computer-based program; (3) perform function 4 reviews in opportunity sites; and

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<sup>19</sup> Library Reference USPS-FY21-29, file “FY21-29 Service Performance Report.pdf,” at 27.

(4) improve performance communication to the field and provide additional training support as needed. *Id.* at 28. For each of the four initiatives:

- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
- b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
- c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.

21. As part of its plan to improve service performance for Ancillary Services for FY 2022, the Postal Service states that it plans to: (1) conduct service talks with employees and provide Standard Work Instructions; (2) conduct training; and (3) monitor service performance metrics to develop improvement plans and share best practices. *Id.* For each of the three initiatives:

- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
- b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
- c. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
- d. Please explain how the Postal Service plans to monitor the efficacy of these strategies during FY 2022 and identify the metric(s) that will be used.

22. With respect to Ancillary Services, the Postal Service asserts that “Green card on-time performance was the biggest opportunity for improvement in FY [20]21 . . . performing at 58 percent . . . ,” which was down from 81 percent in FY 2020. *Id.* In Order No. 5576, in which the Commission provided final approval to the Postal Service to use Internal SPM as the official system of measurement and reporting for Return Receipt Service, the Commission ordered the Postal Service, in the first ACR based on data from SPM for the Green Card option of Return Receipt Service, to explain any significant service performance discrepancies between SPM versus the legacy reporting systems and propose a method of comparing SPM versus legacy service performance data. See Order No. 5576 at 2, 11.
- a. Please explain any significant discrepancies in service performance results between SPM and the legacy reporting systems for the Green Card option of Return Receipt Service.
  - b. Please propose a method of comparing SPM versus legacy service performance data for the Green Card option of Return Receipt Service.
  - c. Please provide all reason(s) that FY 2021 on-time performance for the Green Card option of Return Receipt Service was lower than the FY 2021 Ancillary Services target of 90.0 percent and lower than other categories within Ancillary Services.
  - d. Please describe the Postal Service’s plans to improve service performance for the Green Card option of Return Receipt Service in FY 2022.

**Service Performance**

23. Please refer to the point impact data provided for First-Class Mail, USPS Marketing Mail, and Periodicals.<sup>20</sup> For each of these data sets, please answer the following questions.
- a. Please confirm that these data refer to the amount (number of percentage points) by which on-time performance decreased due to each specific root cause of failure. If not confirmed for each data set, please explain.
  - b. Please provide definitions and the hierarchy for assignment and assessment for the full set of root causes for each class of mail, including each type of “Root Cause” appearing in each Excel file.
  - c. For each class, please identify which products are included in these data.
  - d. Please explain how these data were calculated.
  - e. Please confirm that a root cause failure indicator is not assigned to a mailpiece that is delivered within its applicable service standard. If not confirmed, please explain.
  - f. Please confirm that no more than one root cause failure indicator is assigned per mailpiece. If not confirmed, please explain.
24. In its FY 2021 ACR, the Postal Service emphasizes improvements in service performance that occurred during the second half of FY 2021 (*i.e.*, the third and fourth quarters), “as the effects of the pandemic on transportation and absenteeism waned somewhat . . . and as the Postal Service worked to stabilize and improve operations and address the substantial increase in package volume . . . .” FY 2021 ACR at 49, 51-52. As the Commission has previously

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<sup>20</sup> Library Reference USPS-FY21-29, Excel files “FY21 FCM Q1 Point Impact for Area.xlsx,” “FY21 FCM Q1 Point Impact for Nation.xlsx,” “FY21 Marketing Mail Root Cause.xlsx,” “FY21 Periodicals Root Cause.xlsx,” Library Reference USPS-FY21-NP30, December 29, 2021, Excel file “NONPUBLIC FY21 Q3-Q4 SPFC International.xlsx.”

noted, however, service performance scores have long displayed a strong seasonal trend, with results in the first half of the fiscal year, Quarters 1 and 2 (*i.e.*, during the holiday shopping season, when mail volumes are highest), being significantly worse than results in the second half of the fiscal year, Quarters 3 and 4.<sup>21</sup>

- a. Does the Postal Service consider the improvements in service performance that occurred during the second half of FY 2021 representative of improvements in annual service performance trends, as opposed to typical seasonal variation?
- b. If yes, please explain in detail what circumstances unique to FY 2021 make it an exception to the general seasonal trend.

### **General Market Dominant Service Performance Initiatives**

25. As part of its efforts to improve service performance for First-Class Mail in FY 2021, the Postal Service asserts that it “continued using the same performance improvement strategies that were in place in FY 2020 and which will also remain in FY 2022, along with the Postal Service’s *Delivering for America* Plan.”<sup>22</sup>
  - a. Please identify and describe all Market Dominant service improvement strategies and/or initiatives that were in place during FY 2021 and the corresponding class of Market Dominant mail to which each strategy/initiative applies.
  - b. Please identify and describe all Market Dominant service improvement strategies and/or initiatives that will be in place during FY 2022 and the

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<sup>21</sup> See, *e.g.*, Docket No. ACR2020, *Annual Compliance Determination*, March 25, 2020, at 165; Docket No. ACR2019, *Annual Compliance Determination*, March 25, 2020, at 105.

<sup>22</sup> Library Reference USPS-FY21-29, file “FY21-29 Service Performance Report.pdf,” at 6.

corresponding class of Market Dominant mail to which each strategy/initiative applies.

26. The Postal Service states that it mitigated the impact of transit failures on service performance results “by increasing the fluidity of the network through initiatives such as adding space through Package Support Annexes (PSAs) and the ‘3PK9’ program . . . .”<sup>23</sup> For each of these initiatives:
- a. Please explain in detail the nature of these initiatives.
  - b. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - c. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - d. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - e. For each initiative the Postal Service intends to continue, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - f. For each initiative the Postal Service does not intend to continue, please explain why the Postal Service will not continue the initiative.
27. The Postal Service asserts that between April and November of FY 2021 it deployed more than 112 new package processing machines, which has “benefited all mail products” by creating “additional space . . . to better manage First-In-First-Out (FIFO) order . . . .”<sup>24</sup>

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<sup>23</sup> *Id.*; see also *id.* at 12-13, 16, 22.

<sup>24</sup> FY 2021 ACR at 55; Library Reference USPS-FY21-29, file “FY21-29 Service Performance Report.pdf,” at 12-13, 22-23.

- a. Please describe the new package processing machines to which this refers.
  - b. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - c. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - d. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - e. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - f. If the Postal Service does not intend to continue this program, please explain why not.
28. The Postal Service states that in FY 2021 it deployed six new Surface Transportation Centers as part of its efforts to create a more efficient, optimized surface transportation network.<sup>25</sup>
- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.

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<sup>25</sup> Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 7.



- d. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - e. If the Postal Service does not intend to continue this program, please explain why not.
29. The Postal Service states that Last Mile failures improved from FY 2020 due to the introduction of the Mail Arrival Quality/Plant Arrival Quality program in March 2021. *Id.*
- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - d. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - e. If the Postal Service does not intend to continue this program, please explain why not.
30. The Postal Service states that First Mile failures improved in FY 2021 as a result of processing plants holding daily touchpoints with their Logistics and Customer Service teams, both to address issues related to bringing evening collection mail back to the plant and to ensure that all trips arrive at the processing plants on time and that the proper separations of incoming mail occur. *Id.*

- a. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - b. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - c. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - d. If the Postal Service intends to continue this program, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
  - e. If the Postal Service does not intend to continue this program, please explain why not.
31. In its FY 2020 ACR, the Postal Service identified a number of initiatives that it was considering implementing in order to optimize service performance for flat-shaped mailpieces in FY 2021: “(1) right-size flat sorting machine sets, (2) refine staffing, (3) establish capable operating plans, (4) appropriately extend and/or modify machines, (5) minimize unnecessary handling, and (6) fully leverage visibility tools.”<sup>26</sup> For each of these initiatives:
- a. Please describe the status of each of these initiatives at the end of FY 2021.
  - b. Identify the metric(s) used to quantify the impact on service performance for FY 2021.
  - c. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.

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<sup>26</sup> Docket No. ACR2020, Library Reference USPS-FY20-29, file “FY20-29 Service Performance Report.pdf,” at 23.

- d. If quantitative support for the impact of any initiative is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
- e. For each initiative the Postal Service intends to continue, please identify the metric(s) that will be used to quantify the impacts on service performance for FY 2022.
- f. For each initiative the Postal Service does not intend to continue, please explain why the Postal Service will not continue the initiative.

**Customer Access**

32. Please refer to Library Reference USPS-FY21-33, December 29, 2021, folder "USPS.FY21.33.Files," Excel file "WaitTimeInLineFY2021.xlsx."
- a. In the FY 2021 ACR and Library Reference USPS-FY21-33, the Postal Service states that the national average wait time in line was 2 minutes 48 seconds in FY 2021. Please provide the formula used to derive these numbers, including the inputs used.
  - b. Please refer to tab "Nat'l Avg Wait Time by Qtr F21," cells F7 through F10. Please confirm that the average of those cells is 2 minutes 48 seconds. If not confirmed, please provide the average of cells F7 through F10 and explain how the Postal Service calculated the result.
  - c. Please refer to tab "Area Avg. Wait Time FY21," cells D7 through D10. Please confirm that the average of those cells is 2 minutes 50 seconds. If not confirmed, please provide the average of cells D7 through D10 and explain how the Postal Service calculated the result.
  - d. Please refer to tab "Area Avg Wait Time by Qtr," cells F7 through F22. Please confirm that the average of those cells is 2 minutes 50 seconds. If not confirmed, please provide the average of cells F7 through F22 and explain how the Postal Service calculated the result.

- e. Please refer to tab “Area Avg Wait Time by Qtr,” cells F19 through F22, which contains information about quarterly wait times in line in the WestPac Area. Please confirm that the average of those cells is 3 minutes 12 seconds.
    - i. If confirmed, please reconcile these numbers with cell D10 of tab “Area Avg. Wait Time FY21,” which states the average wait time for the WestPac area is 3 minutes 11 seconds.
    - ii. If not confirmed, please provide the average of cells F19 through F22 and explain how the Postal Service calculated the result.
  - f. If any numbers need to be changed in response to this question, please file an updated Excel file containing FY 2021 wait times in line.
33. In Docket No. ACR2020, Library Reference USPS-FY20-33, the Postal Service stated that the number of Post Offices suspended at the end of FY 2020 was 436. However, Library Reference USPS-FY21-33 states that the number of Post Offices suspended at the beginning of FY 2021 is 433. Please reconcile this discrepancy and provide the number of Post Offices suspended at the end of FY 2020.

### **First-Class Mail**

34. The Postal Service reports that the FY 2021 cost coverage for First-Class Mail Flats fell to 98.7 percent. See FY 2021 ACR at 7. In Docket No. R2021-2, the Postal Service proposed, and the Commission approved, a price increase of 10.318 percent for First-Class Mail Flats.<sup>27</sup> Please estimate the impact of the Docket No. R2021-2 price increase on FY 2022 volume, revenue, cost, and contribution for First-Class Mail Flats. The estimate should use the most recent

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<sup>27</sup> Docket No. R2021-2, Order on Price Adjustments For First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes, July 19, 2021, at 75 (Order No. 5937).

elasticities provided by the Postal Service to the Commission and support any additional assumptions.

**Domestic Competitive Products**

35. Please see Attachment, filed under seal.

**Market Dominant Fee Revenue**

36. Please see Attachment, filed under seal.

By the Chairman.

Michael Kubayanda